

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Proposing rule making related to reimbursement rates and providing an opportunity for public comment

The Human Services Department hereby proposes to amend Chapter 82, “Intermediate Care Facilities for Persons with an Intellectual Disability,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code sections 249A.12 and 249A.16.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code sections 249A.12 and 249A.16.

Purpose and Summary

During the 2022 Legislative Session, House File 2578, section 31, appropriated funds to increase reimbursement rates for intermediate care facilities for persons with an intellectual disability (ICFs/ID) over the rates in effect on June 30, 2022. The entire rate increase is to be used for the wages and associated costs specific to wages, benefits and required withholding for direct support professionals and frontline management.

These proposed amendments adopt a new wage add-on factor for community-based ICFs/ID to be included in the rates effective July 1, 2022, and after. The wage add-on factor is proposed to be added to the maximum allowable base rate.

Fiscal Impact

For the fiscal year beginning July 1, 2022, reimbursement rates for ICFs/ID shall be increased over the rates in effect on June 30, 2022, within the \$1,339,971 appropriated for this purpose. This rule making implements the reimbursement rate increases. The entire rate increase is required to be used for the wages and associated costs specific to wages, benefits and required withholding for direct support professionals and frontline management.

Jobs Impact

There is a potential to impact wages since providers will be able to increase wages for direct support staff in ICF/ID settings statewide. This may not increase the number of new jobs but instead increase wages for current positions.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 441—1.8(17A,217).

Public Comment

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Department no later than 4:30 p.m. on December 20, 2022. Comments should be directed to:

Nancy Freudenberg
Department of Human Services
Hoover State Office Building, Fifth Floor
1305 East Walnut Street
Des Moines, Iowa 50319-0114
Email: appeals@dhs.state.ia.us

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making action is proposed:

Adopt the following **new** subrule 82.5(17):

82.5(17) Wage add-on factor. A wage add-on factor of \$8.86 per day for community-based ICFs/ID shall be included in rates effective July 1, 2022, and after, not subject to the maximum allowable cost ceiling in paragraph 82.5(14) “e,” until rates are established using the cost reports for the period ending June 30, 2023.

a. In accordance with 2022 Iowa Acts, House File 2578, section 31, the entire wage add-on factor shall be used for wages and associated costs specific to wages, benefits, and required withholding of direct support professionals and frontline management.

b. The wage add-on factor of \$8.86 per day shall be added to the maximum allowable base rate in subparagraph 82.5(14) “d”(1) until the next rebase using cost reports for the period ending June 30, 2024.

c. The wage add-on factor of \$8.86 per day shall be added to the maximum allowable cost ceiling, eightieth percentile of costs of all participating facilities in paragraph 82.5(14) “e,” until the eightieth percentile maximum is established using the December 31, 2023, compilation for rates effective beginning July 1, 2024.